

State of Utah  
Division of Oil, Gas, and Mining

Sept. 4<sup>th</sup>

File: S23 0015

S2700 84 - with Report

CC: Tom

DARON R. HADDOCK

Daron in Response To phone conversation Around the middle of Aug. I have contacted The Bank in Spanish Fork about DOGMA being co ~~part~~ participants in the Bond with the Forest Service And They said That it would not be a problem. The contact person is Erin Lambert phone # 801-794-3733

Here Inclosed are sum of the Documentations on the Silver Dancer mine ~~and~~ I would like to keep the mine plan open as to help Justific the Validity of the Claims. It and when the BLM OKs the mine plan and Before I start to mine Then I will Bond with the Division of Oil, Gas and Mining

Rob J Steele

**AN ECONOMIC EVALUATION  
OF THE  
SILVER DREAM CLAIMS  
WEST CONFUSION RANGE  
MILLARD COUNTY, UTAH**

for

**ROBERT L. STEELE**

1055 North 400 East  
Nephi, Utah 84648

by

**Richard A. Jeanne**  
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3055 Natalie Street  
Reno, Nevada 89509

November 2000

**RECEIVED**

SEP 07 2007

**DIV. OF OIL, GAS & MINING**

## **SUMMARY**

The Silver Dream claims contain several high-grade silver/gold ore bodies that can be profitably exploited using small scale mining methods. Conservative estimates of tonnage and grades based on surface sample data and field measurements indicate a resource valued in excess of \$473,000 exists on the property. Calculations of mining and processing costs indicate this resource could yield a net profit of \$117,990. These figures are for ore bodies that are visible at the surface, whose dimensions have been measured and whose grade has been estimated from rock chip samples.

Although the tonnage, grades and values determined in this report are based on surface mineralization, it is not unreasonable nor unrealistic to believe that the veins and pods of ore seen on the surface would continue along the mineralizing fault systems under the massive Guilmette Limestone. Using this rationale, it is possible for tens of thousands of tons of ore to exist under the Guilmette Limestone in this region.

## **INTRODUCTION**

I was asked by Robert L. Steele, of Nephi, Utah, to conduct an economic evaluation the Silver Dream Claims in Millard County, Utah. I visited the claim group with Mr. Steele and his cousin Terry Steele July 21 and 22, 2000. During this visit, I formulated a cursory geologic interpretation of the site, collected 12 samples of rock from the mineralized horizons and discussed with Mr. Steele various scenarios of the source of mineralization, the conduits through which mineralizing fluids may have traveled and ground conditions that may have contributed to the emplacement of minerals found on the claims.

Twelve years ago I was project geologist working for a major mining company and investigated similar mineralization in Road Canyon, one mile to the east. During the course of that investigation, I visited the deposit that is the subject of this report.

This report was prepared from data provided by Robert L. Steele and from geologic and geochemical data generated during my visit to the property.

## **LOCATION**

The Silver Dream property consists of 3 claims in two blocks. Claims # 1 and # 2 are contiguous and are located in the northeast and northwest 1/4 of Section 8, Township 21 South, Range 16 West of the Salt Lake Base and Meridian. Claim # 3 is located in the southeast 1/4 of the same section. Access to both groups is gained from U. S. Highway 6 and 50 between mileposts 21 and 22 by traveling south about seven miles via existing dirt roads to the claims at the base of the west facing limestone cliffs that extend south from the highway (Fig. 1).

## **GEOLOGY**

### **Geomorphology**

The Confusion Range south of the highway is a plateau comprised of more or less flat lying to gently tilted, medium to thick bedded dolomite and limestone. The claims are located on and below a south projecting finger of this plateau that is delineated on the west by the bold cliffs along an eroded fault scarp, and on the east by similar cliffs that form the west side of Road Canyon.



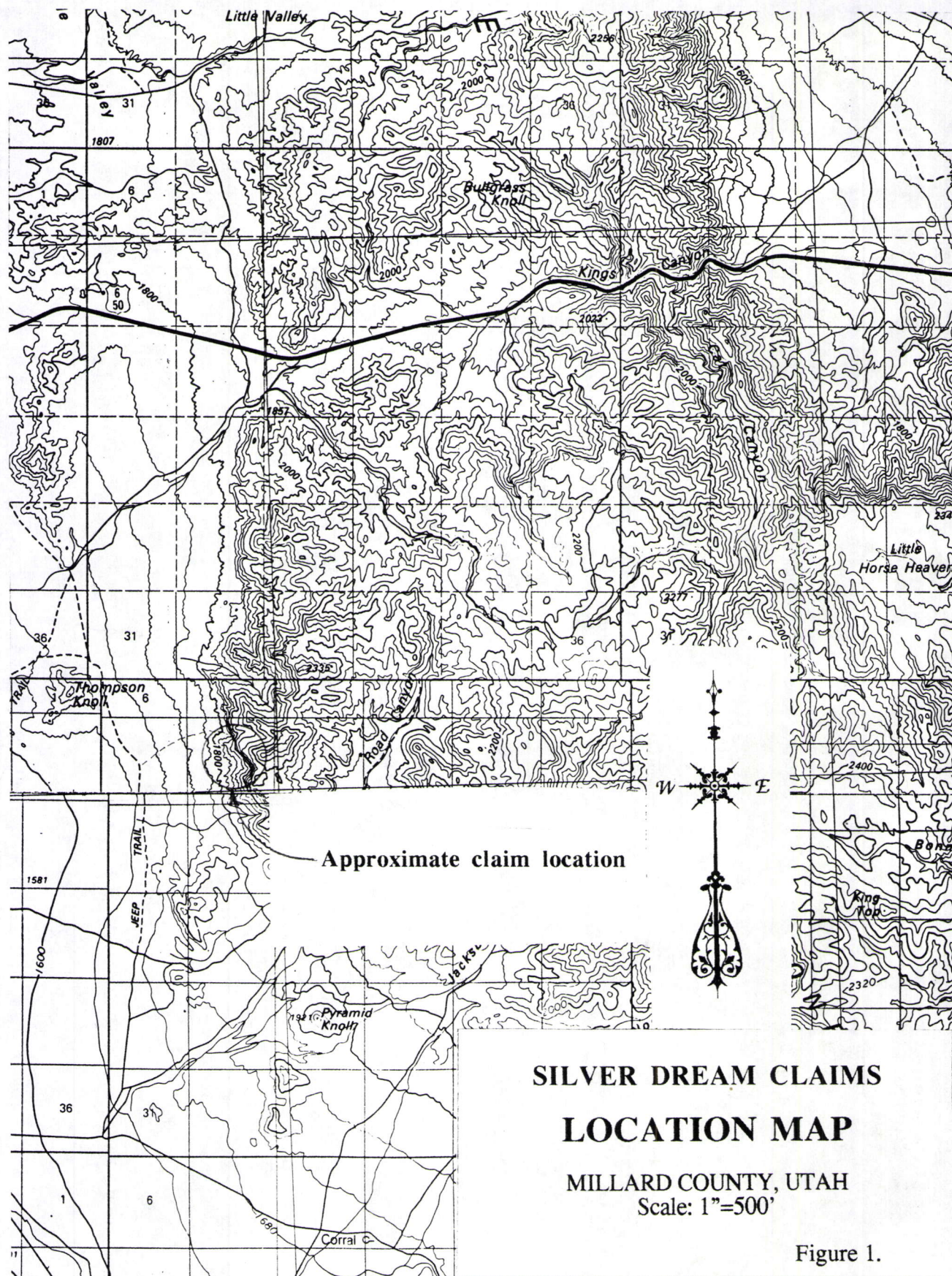


Figure 1.



### **Stratigraphy**

The rocks in the vicinity of the Silver Dream claims consist of limestone and dolomite of Devonian age. The oldest formation is the Sevy Dolomite, comprised of light gray dolomite with floating quartz sand grains. Overlying the Sevy is the Simonson Dolomite, a dark gray carbonate containing fossil colonial corals, bryozoans, coiled gastropods and brachiopods. Overlying the Simonson is the massive, cliff-forming Guilmette Formation. The Guilmette consists mainly of limestone with minor interbeds of shale and sandy horizons.

The Pilot Shale of Devonian-Mississippian age overlies the Guilmette in other parts of the Confusion Range, but has been eroded away in the vicinity of the claims.

### **Structure**

The southwestern corner of the Confusion Range is tilted gently northeastward. This tilted block is bound on the northeast by the Boobs Canyon fault and is offset internally by numerous east-west trending, high-angle normal faults of minor displacement. Several of these high-angle structures can be traced eastward from the claims to Road Canyon and to the adjacent Jackson Canyon, a distance of about two miles. Although there is only minor displacement on these structures, their lateral extent suggests they penetrate to significant depths as well.

Breccia zones from a few inches to several feet in width commonly are associated with these faults. Blocks of both altered and unaltered host rock up to several inches in dimension occur in these zones, but most commonly the gouge consists of finely comminuted material. At many localities, recrystallization of the carbonate gouge material makes recognition of faults difficult. In mineralized areas, however, angular to subrounded clasts of jasperoid may be seen floating in a carbonate matrix that commonly is indistinguishable from the carbonate host rock.

Mineralized zones appear to be best developed in the vicinity of high angle faults which strongly suggests that these structures served as conduits for mineralizing fluids. Brecciation of silicified carbonate rocks in and adjacent to these faults further indicates that movement continued during and probably following the mineralizing event.

In addition to high angle structures, horizontal to very low angle faults are interpreted in the region. Their existence is inferred by the widespread occurrence of jasperoid at various horizons within the stratigraphic section. Exposures of jasperoid can be traced continuously around the base of the cliffs; up nearby canyons and at various other localities throughout the area. In so doing, they can be seen to cut across bedding (particularly in the Simonson) albeit at very low angles. This cross-cutting relationship indicates that low angle structures, rather than lithology are probably controlling the emplacement of mineralization at these occurrences.

In Road Canyon, jasperoid replaced horizons can be traced continuously for hundreds of meters. At their intersections with high angle structures, these horizons commonly thicken, forming lens-like bodies in the host rock. On the Silver Dream claims, the mineralized masses have a similar morphology. A central fault and attendant brecciation is readily apparent in the mineralized zones on both claim blocks, providing both a conduit for mineralizing fluids and a fractured zone surrounding the fault through which the fluids could penetrate into the wall rock. However, silicification has extended beyond the brecciated zones, strongly suggesting that an amenable

lithologic character also played a role in mineralization. This is further supported by the fact that at both Silver Dream localities, mineralization occurs in about the same stratigraphic horizon.

### **Alteration and Mineralization**

Alteration consists of silicification of portions of the various carbonate units. Locally, massive jasperoid bodies have resulted, many of which contain elevated levels of silver and gold. Auriferous and argentiferous jasperoid can be traced over a distance of at least seven miles in the western Confusion Range. North of Highway 6 & 50, Crown Resources delineated a low grade gold-silver deposit on its Kings Canyon property. In Road Canyon, Echo Bay Exploration drill tested similar occurrences in the late 1980's on a property leased from Robert and Terry Steele. I was project manager for Echo Bay's Road Canyon project. The purpose of our drilling was to evaluate the gold potential associated with these jasperoids, however, the grade and dimensions of the mineralized bodies we encountered were not of the scale necessary to meet company needs.

Prior to Echo Bay's acquisition of the Road Canyon property, the Steeles showed me numerous occurrences of jasperoid replaced carbonate rocks in the western Confusion Range, including those on the Silver Dream claims. Many of these appeared to be related to one or more horizons in the Simonson Dolomite, however, some were located high in the section of the overlying Guilmette Formation. In the area around Crown Resources' property, ledges of Sevy Dolomite comprise most of the lower hills, so the mineralization they encountered in drill holes is most likely in that unit rather than in overlying units as it is south of the highway.

The jasperoid is coarse to fine grained, dark gray to brown, commonly brecciated and locally contains crystalline barite, fluorite, calcite or quartz. A sucrosic texture may be associated with higher grades of mineralization.

Prospect pits on a number of these jasperoid masses indicate that early prospectors recognized their mineral potential. However, the Steeles are the first contemporary prospectors to do so and have brought it to the attention of numerous mining companies, the BLM, the USGS and others. Gold was the primary commodity of interest to the mining companies, but analyses for silver were commonly conducted as well. I collected a dozen samples during my visit to the property, eleven of which were from the three claims (Fig. 2), and the last from Section 16 in Road Canyon. In addition, sample data from the Steeles (25 samples), Barrick Resources (13 samples) and the USGS (78 samples) was available to me for use in the preparation of this report and is included, along with results of my own sampling, in Appendix A.

During the late 1980's and early 1990's, the USGS conducted a reconnaissance geochemical survey of the Delta 1° x 2° Quadrangle; one of several geologic investigations of the quadrangle under CUSMAP, the Conterminous United States Mineral Assessment Program. The Steeles introduced USGS researchers to the mineralized jasperoid in the late 1980's. Samples collected from the area during the course of this study were of such significance that two open-file reports were published, describing these anomalies (Zimbelman et al., 1989; Zimbelman et al., 1990).

Samples collected from the silicified and mineralized bodies vary greatly in the grade of metal contained. This seems to be a function of the portion of the mineralized zone that was sampled.



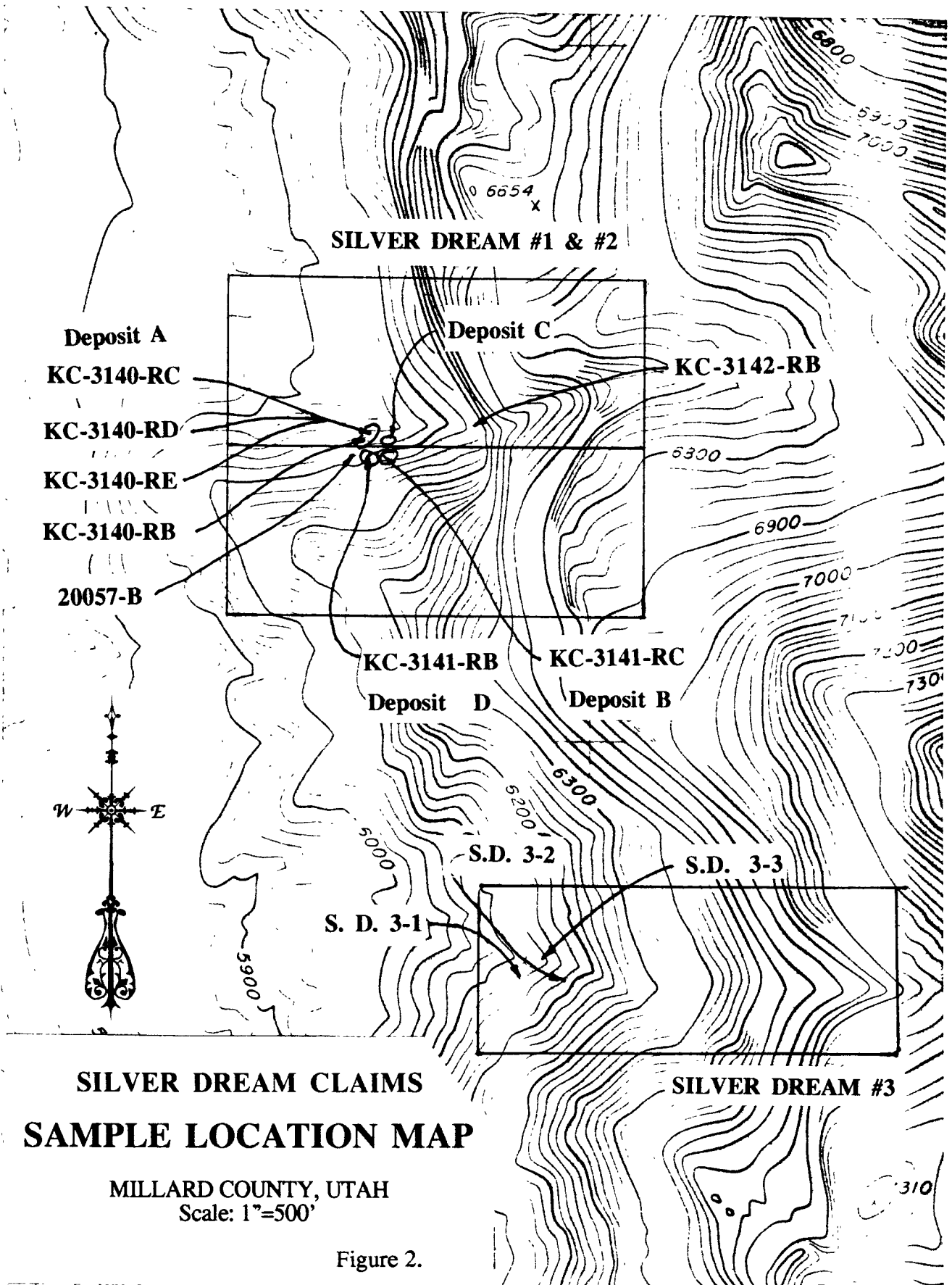


Figure 2.

Samples taken from surfaces that are undisturbed by previous prospecting typically yield relatively low values, whereas samples collected from old prospect pits, or those collected using a sledge hammer to get well below the weathered surfaces, yield higher values. This is a function of the weathering process in the zone of oxidation and the solubility of the products of this process.

Native silver and silver sulfides are minerals that are deposited from argentiferous hydrothermal solutions. Later, when these and associated minerals are exposed to the processes of oxidation, silver sulfate is formed which is readily taken into solution and carried downward with the oxidizing fluids. In arid climates, common salt is an abundant constituent in soils and ground water. When silver sulfate bearing fluids mix with saline ground water, the salts react with the sulfates to form silver chloride, the mineral cerargyrite (Bateman, 1951). Native silver may also be precipitated from these solutions, and indeed, a specimen of native silver was collected from a jasperoid in Road Canyon by Mr. Steele.

In addition to this weathering related distribution of mineralization, high grade pockets also are present. High grade pockets which contain visible cerargyrite have been found in most of the massive jasperoids on the Silver Dream claims, as well as at other localities in the area. The cerargyrite occurs in vugs, coating drusy quartz, in small blebs in intergranular open spaces and as coatings on fracture surfaces. Samples were collected from these pockets by many previous workers and the range of grades they attain are well represented in the available data. Among the 78 samples listed in the two USGS reports, 6 yielded gold values of 1 ppm (0.03 opt) or greater, and 5 yielded silver values of 1000 ppm (29 opt) or greater and averaged 70 opt. All of Zimbelman's samples with values of 1000 ppm or higher were collected from the Silver Dream claims. Among the Steele and Barrick data, gold values up to 0.084 opt and silver values up to 360 opt were encountered. Among the samples I collected in preparation for this report, values up to 429 opt silver and 0.068 opt gold were encountered.

## **RESOURCE POTENTIAL**

### **Silver Dream No.'s 1 & 2**

#### **Deposit A**

The estimated dimensions of this deposit are 40' in width (measured on the horizontal), 15' in depth (into hillside) and 12' in thickness (measured in the vertical). This yields a minimum volume of 7200 cubic feet. At 12.5 cubic feet per ton, this amounts to 576 tons of mineralized rock.

Three samples were collected from this deposit (Fig. 2). KC-3140-RC was a 6' horizontal channel sample across the face and through a prospect pit. Sample KC-3140-RD was a 4' continuation of this sample line, beyond the edge of the prospect pit, and sample KC-3140-RE was a selected sample of high grade material from this prospect pit. Sample KC-3140-RB was taken on the other side of a fault at the margin of the strongly mineralized zone in another, less strongly silicified area. Sample descriptions and assay results are shown in Appendix A.

An average grade for this locality, exclusive of high grade pockets, was derived as follows:  
 $6' \times 10.1 \text{ opt} + 4' \times 3.6 \text{ opt} \div 10' = 7.5 \text{ opt}.$



High grade zones are common in these deposits and would increase the overall grade when included with mined material. Analyses from five samples known or assumed to have been high grade material were available to me. The average grade of silver from those samples is 240 opt and that of gold is 0.014 opt. For the purposes of calculation, it was estimated that these high grade zones comprise about 5 % of the total volume of mineralized rock.

Combining these figures, an overall grade estimate of 19.5 opt Ag for Deposit A was derived as follows:

$$\text{Average grade silver} = 7.5 \text{ opt} + 5 \% \times 240 \text{ opt} = 19.5 \text{ opt Ag.}$$

Using the same proportions for gold, an overall grade estimate of 0.009 opt was derived:

$$\text{Average grade gold} = 0.008 \text{ opt} + 5 \% \times 0.014 \text{ opt} = 0.009 \text{ opt Au.}$$

Using these figures, the following resource estimates can be calculated for Deposit A:

$$\begin{aligned} \text{Silver grade } 19.5 \text{ opt @ } \$5/\text{oz} &= \$97.50 \text{ per ton} \\ \text{Gold grade } 0.009 \text{ opt @ } \$275/\text{oz} &= \underline{\$2.48 \text{ per ton}} \\ \text{Value of contained metals} &= \underline{\$99.98 \text{ per ton}} \end{aligned}$$

$$576 \text{ tons} \times 19.5 \text{ opt Ag} = 11,232 \text{ contained oz silver @ } \$5/\text{oz} = \$56,160$$

$$576 \text{ tons} \times 0.009 \text{ opt Au} = 5.2 \text{ contained oz gold @ } \$275/\text{oz} = \underline{\$1,424}$$

$$\text{Total estimated value Deposit A} = \underline{\$57,584}$$

### Deposit B

The dimensions of Deposit B are 10' x 15' x 2'. This deposit could not be seen in the vertical dimension in outcrop, however, a prospect pit had exposed about 2' of jasperoid in the vertical dimension, so its thickness is at least that. The volume of this deposit, therefore, is at least 300 cubic feet, which at 12.5 cubic feet/ton amounts to 24 tons.

Sample KC-3141RC, collected from Deposit B, was a 15 foot continuous chip sample across both jasperoid and dolostone and through a 4' diameter prospect pit in the center. This sample ran 8.6 opt Ag and 0.014 opt Au. Assuming these are representative of the whole deposit exclusive of the high grade zones, the following resource estimate can be calculated:

$$\text{Average grade silver} = 8.6 \text{ opt} + 5 \% \times 240 \text{ opt} = 20.6 \text{ opt Ag.}$$

Average grade of gold in the high grade zones is the same as the channel sample, 0.014 opt.

$$\begin{aligned} \text{Silver grade } 20.6 \text{ opt @ } \$5/\text{oz} &= \$103.00 \text{ per ton} \\ \text{Gold grade } 0.014 \text{ opt @ } \$275/\text{oz} &= \underline{\$3.85 \text{ per ton}} \\ \text{Value of contained metals} &= \underline{\$106.85 \text{ per ton}} \end{aligned}$$

$$24 \text{ tons} \times 20.6 \text{ opt Ag} = 494 \text{ contained ounces silver @ } \$5/\text{oz} = \$2472$$

$$24 \text{ tons} \times 0.014 \text{ opt Au} = 0.34 \text{ ounces contained gold @ } 275/\text{oz} = \underline{\$92}$$

$$\text{Total estimated value Deposit B} = \underline{\$2,564}$$

### **Deposit C**

No sample was collected from Deposit C, however, using a sledge hammer, Bob Steele exposed a high grade pocket from this locality while I was on the property. The approximate dimensions of this occurrence are 10' x 10' x 6' giving it a volume of about 600 cubic feet, amounting to about 48 tons of mineralized rock. Assuming the grade of mineralization found here is similar to that in the two adjacent pods, then an estimate can be derived for this resource of about 1000 ounces contained silver with a value of about \$5,000. Contained gold could be anticipated at around 1/2 ounce with a value between \$100 and \$200.

### **Deposit D**

Deposit D is essentially an extension of Deposit B. Jasperoid in D is not as well developed as at B and consists of wispy to massive zones within areas of unsilicified dolomite. A sample of unsilicified carbonate rock in this area was collected (KC-3141-RB) to determine if mineralization extends beyond the silicified zones, however, as suspected, the unaltered dolomite is essentially barren. In the drainage west of deposit D is a smaller, less well developed jasperoid body. Sample 20057-B, collected from this locality, yielded low silver values, but 0.017 ounces per ton gold.

### **Silver Dream No. 3**

This claim is located half a mile south and a little east of claims 1 & 2 and covers the largest mass of jasperoid on the Steele's property. This body occurs on the south side of an east-west fault that extends eastward into Road Canyon. In Road Canyon, mineralized masses of jasperoid are associated with this structure, and were among the targets of drilling by Echo Bay Exploration. It was in one of the Road Canyon jasperoid bodies associated with this fault that Bob Steele collected a sample of native silver. Analysis of a sample he collected from this Road Canyon locality in 1988 yielded 222 opt Ag.

The deposit on claim number 3 has not been as heavily prospected as those on the claims to the north, however, high grade pockets have been found here as well. Samples from this deposit collected by the Steeles and others have yielded silver values ranging from 1 to 142 opt silver, and the highest grade gold values recovered from the property were encountered here. Coincidentally, one of the sample I collected in July (S.D. 3-1) and one collected by the Steeles in 1988 both yielded 0.068 opt gold. Other samples from this large deposit have yielded values of up to 0.084 opt gold. The average of 6 samples collected from various portions of this deposit yielded 35 opt silver and 0.052 opt gold. However, since less data is available from this deposit than from those on claims 1 & 2, one cannot say with any sense of certainty that 35 opt Ag is representative of the average grade of this deposit. Because the range of silver values is similar to those on the other claims, I feel using the 19.5 opt silver value obtained for the deposits to the north is a reasonable estimate of the average grade here as well.

The spread of gold values is more tightly constrained, ranging from 0.021 to 0.084 opt. The average and median of this group of analyses are both 0.052 opt Au, and although the gold grade is consistently higher here than to the north, 0.052 opt is probably not representative of the whole deposit. Therefore, I arbitrarily selected the lowest gold value returned, 0.021 opt to use in the calculations below.



Estimates of the dimensions of the jasperoid body on Silver Dream claim #3 were made by me and by Barrick geologists. Volumetrically, these estimates yield 75,000 and 90,000 cubic feet. For resource estimate purposes I will assume 50,000 cubic feet of this mass contains exploitable mineralization amounting to 4000 tons of ore.

Using the figures above, the following resource estimate can be calculated for the jasperoid body on claim No. 3:

Silver grade 19.5 opt @ \$5/oz = \$97.50 per ton  
Gold grade 0.021 opt @ \$275/oz = \$5.78 per ton  
**Value of contained metals = \$103.28 per ton**

4,000 tons x 19.5 opt Ag = 78,000 contained oz silver @ \$5/oz = \$390,000  
4000 tons x 0.021 opt Au = 84 contained oz gold @ \$275/oz = \$23,100  
**Total estimated value at Claim No. 3 = \$413,100**

#### **Silver Dream Claim Group, Total Estimated Resource**

The total estimated resource and value for the sampled ore deposits on the Silver Dream claims is:

Deposit A	576 tons	\$57,584
Deposit B	24 tons	\$2,564
<u>Silver Dream 3</u>	<u>4,000 tons</u>	<u>\$413,100</u>
<b>Total estimated resource and value</b>	<b>4,600 tons</b>	<b>\$473,248</b>

Value per ton = \$473,248 ÷ 4,600 tons = **\$102.88 per ton.**

#### **ECONOMIC ANALYSIS**

"Ores are rocks and minerals that can be recovered at a profit." (Park & MacDiarmid, 1970). This seemingly simplistic definition is the basic principle under which all commercial mining is conducted. It is as true today as it has been for centuries. In its simplest form, one need only add up all the costs involved in the extraction of minerals or their contained metals and weigh that against the value one can receive for those metals. The complexity of this exercise is a function of the scale of the planned operation. Small companies often can profitably mine a deposit that large companies would find unprofitable. The deposits on the Silver Dream claims are far too small for any mining company to exploit, however, a smaller scale operator could do so profitably.

Mr. Steele has researched the costs of various operations that would be entailed in the exploitation of this ore deposit. These, along with the anticipated daily production, are shown below:

Labor cost	3 men @ 220/day for underground work
Trucking cost	41 ton load @ \$9.85/ton
Milling cost	500 ton minimum @ \$27.50/ton
Equipment rental	\$150/day
Daily output	20 tons per day

The table below outlines the estimated cost of mining and milling a 500 ton batch of ore from the Silver Dream claim group. In this table, the following assumptions are made: 3 men can mine 20 tons per day. Mill will take 500 ton shipment at \$27.50 per ton. 13 truck loads per 500 ton batch @ \$403 per load.

<b>COSTS</b>	<b>RATE</b>	<b>TOTAL</b>
Mining		
Labor	25 days @ \$220 per day/Man	\$16,500
Equipment	25 days @ \$150 per day	3,750
Fuel (daily round trip from Nephi)	250 miles @ 20mpg & \$2/gal	625
Shipping	13 loads @ \$403/load	5,239
Processing	500 tons @ \$27.50 per ton	13,750
<b>Cost to process one 500 ton batch =</b>		<b>\$38,614</b>

Cost per ton =  $\$38,614 \div 500 \text{ Tons} = \$77.23 \text{ per ton}$

Value per ton =	\$102.88
Cost per ton =	\$77.23
<b>Net profit per ton =</b>	<b>\$25.65</b>

The potential profit that could be realized from the Silver Dream claims can be calculated as follows:

**Total estimated resource: 4,600 tons x \$25.65 net profit per ton = \$117,990 total net value of Silver Dream ore deposits.**

The foregoing calculations have shown the estimated profit that could be derived from mining those deposits that currently are known to exist on the Silver Dream group of claims.

It is not unreasonable nor unrealistic to believe that the veins and pods of ore seen on the surface would continue along the mineralizing fault systems under the massive Guilmette Limestone. Using this rationale, it is possible for tens of thousands of additional tons of ore to exist under the Guilmette Limestone in this region.



## **REFERENCES CITED**

Bateman, Allan M., 1951, The Formation of Mineral Deposits: John Wiley & Sons, New York, p. 228-237.

Park, Charles F. Jr. and Roy A. MacDiarmid, 1970, Ore Deposits: W. H. Freeman and Co., San Francisco, p. 1.

Zimbelman, D.R., R.H. Hill, D.L. Fey, B.F. Arbogast and J.H. Bullock, Jr., 1989, Selected analytical results, sample locality map, and discussion of trace-element anomalies for rock samples from near Kings Canyon, Confusion Range, Millard County, west-central Utah: U.S. Geological Survey Open-File Report 89-456, 14 p.

Zimbelman, D.R., C.J. Nutt, Phill Hageman, R.H. Hill, D.L. Fey, B.F. Arbogast and J.H. Bullock, Jr., 1990, Selected analytical results, sample locality map, and discussion of trace-element anomalies for rock samples from near Kings Canyon, Confusion Range, Millard County, west-central Utah: U.S. Geological Survey Open-File Report 90-317, 16 p.

## **APPENDIX A**

### **Sample Descriptions and Analytical Data**



## **Sample Descriptions Silver Dream Claims**

### **Silver Dream #3**

**S.D. - 3 - 1** pp on lowest exposure on Silver Dream claim #3 below large jsp. Visible cerargyrite. below tags 20044 and 20054 at the discovery monument

0.068Au 46.7Ag

**S.D. - 3 - 2** rc on silicified zone about 10x30x250' in dimension. Below sample tag 74930 and about 250' up slope from S.D.-3-1 On major fault that may extend into school section 1 mile east.

0.021Au 5.7Ag

**S.D. - 3 - 3** In drainage on fault, silicified material

0.016Au 0.4Ag

### **Road Canyon**

**RCS-1** 3' vertical cc in road cut on state section in Road Canyon mix of white quartz veins 1/4" to 1" and ls 1" - 3"

0.023Au 5.5Ag

### **Silver Dream Claims 1 & 2**

**KC-3140RB** - 4' cc sample of bx & bedded material in zone across fault from 360 opt sample. represents both silicified and unsilicified material. Sample "channel" crosscuts fabric of bedded material.

0.010Au 0.1Ag

**\*KC-3140RC** - 6' horizontal cc in pp across zone with green copper/silver mineral and visible cerargyrite (this is the location of Bob's 360 opt sample)

0.007Au 10.1Ag

**\*KC-3140RD** - 4' horizontal cc (continuation of previous sample; combined total 10')

0.009Au 3.6Ag

**\*KC-3140RE** - rc, selected high grade material containing visible cerargyrite.

0.014Au 429.3Ag

**KC-3141RB** - 30' continuous chip sample of least silicified material

<0.002Au <0.1Ag

**\*\*KC-3141RC** - from pp, 15' horizontal cc across jsp and ls face and through 4' dia pp. More strongly silicified zone than sample 3141RB taken below this pod.

0.014Au 8.6Ag

**KC-3142RB** - pp at base of Guilmette cliffs across small ravine from 360 opt sample site

0.031Au <0.1Ag

**20057 - B** pp on 25 x 50' exposure of jsp near sample tag 20057 in ravine west of main deposits.  
0.017Au <0.1Ag

\* this deposit is roughly 15' x 40' x 12' in dimension

\*\* this deposit is roughly 10' x 15' x 6' in dimension

rc = rock chip; cc = continuous chip ( $\approx$  channel); pp = prospect pit; jsp = jasperoid; ls = limestone;  
bx = breccia



# ALS Chemex

hemex  
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To STEELE, ROBERT

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NEPHI, UTAH  
84648, USA

Project: SILVER DREAM  
Comments: CC. RICHARD A. JEANNE

Page Number: 1  
Total Pages: 1  
Certificate Date: AU 3 2000  
Invoice No: 10024342  
P.O. Number:  
Account: SEW

## CERTIFICATE OF ANALYSIS

A0024342

SAMPLE	PREP CODE		Au FA oz/ton	Ag FA oz/ton									
S.D.3-1	208	226	0.068	46.7									
S.D.3-2	208	226	0.021	5.7									
S.D.3-3	208	226	0.016	0.4									
R.C.8.-1	208	226	0.023	5.5									
KC-3140-RB	208	226	0.010	0.1									
KC-3140-RC	208	226	0.007	10.1									
KC-3140-RD	208	226	0.009	3.6									
KC-3140-RE	208	226	0.014	429.3									
KC-3141-RB	208	226	< 0.002	< 0.1									
KC-3141-RC	208	226	0.014	8.6									
KC-3142-RB	208	226	0.031	< 0.1									
20057-B	208	226	0.017	< 0.1									

# Boobs Canyon

TINTIC UTAH METALS L.L.C.  
15988 Silver Pass Road  
Eureka, Utah 84628

Assay Report To: Bob Steele

Sample Number	oz/ton Au	oz/ton Ag	
B.S. 1	0.001	359.95	Silver Dream #1
B.S. 2	0.068	142.12	Silver Dream #3

Approved by: Jim Cardwell Chief Chemist



TABLE 3.--Selected results of analyses of rock samples, Kings Canyon area, Confusion Range, west-central Utah. Analytical methods discussed in text and tables 1 and 2. Starred samples (\*) collected for background geochemical information. (N, not detected; <, detected but below the limit of determination shown; >, determined to be greater than the value shown; values shown in parts-per-million except fluoride in percent)

SAMPLE	Au	Ag	Hg	As	Sb	F	Ba	Cu	Pb	Zn
5826A	.10	<0.5	.12	6	3	.01	>5000	<5	N	31
5826B*	N	N	.02	<5	<2	.04	20	5	<10	<2
5827A*	N	N	.02	<5	<2	.18	70	N	N	<2
5828A	.05	2	.12	7	68	.06	200	<5	<10	6
5828B	.15	5	.24	8	128	.10	500	7	<10	57
5828C*	<.05	3	.20	<5	3	.04	<20	<5	<10	8
5829A	.60	7	.80	18	2340	2.26	5000	5	<10	55
5930A	1.00	20	1.1	17	188	.04	5000	20	10	169
5831A	.05	<.5	.14	21	12	.02	300	20	<10	62
5831B	.10	N	.20	12	5	.02	100	<5	N	38
5831C*	N	N	.04	<5	<2	.02	<20	7	N	<2
5831D	.90	<.5	.34	14	7	.01	>5000	10	<10	77
5832A	1.00	1	.70	16	15	.01	>5000	10	50	60
5832B	.65	2	.88	22	22	.02	>5000	15	300	241
5832C	N	<.5	.26	<5	3	<.01	200	<5	<10	3
5832D*	.05	N	.14	<5	<2	.02	50	<5	10	<2
5832E	.40	N	.40	8	5	.01	>5000	5	15	27
5833A	N	N	.04	<5	<2	<.01	500	<5	N	<2
5833B	.15	N	.12	<5	<2	.04	200	<5	<10	3
5834A	.05	N	.32	6	4	.01	150	7	<10	<2
5834B	N	N	.74	<5	3	.85	100	<5	N	<2
5835A	.15	N	.10	<5	2	.02	200	<5	<10	3
5835B	N	N	.04	<5	<2	.02	150	<5	<10	3
5835C*	N	N	.06	<5	<2	<.01	<20	N	N	<2

TABLE 3--continued

SAMPLE	Au	Ag	Hg	As	Sb	F	Ba	Cu	Pb	Zn
5836A	.50	20	.64	6	23	<.01	150	10	<10	15
5836B	.45	30	.34	22	41	.02	200	20	50	38
5836C*	.10	20	1.6	<5	2	.01	20	10	150	16
5836D*	.10	10	.40	5	5	.01	70	5	20	25
5836E*	.05	3	.16	12	14	<.01	20	7	10	56
5836F	.30	5	.06	<5	3	<.01	70	<5	<10	3
5836G	.45	7	.14	<5	7	<.01	>5000	5	<10	6
5836H*	N		.10	<5	4	.02	30	<5	<10	20
5837A	N	10	.48	<5	3	.02	300	7	N	22
5837B	N	20	.38	6	4	<.01	2000	10	<10	28
5837C	.30	10	.34	8	4	.02	300	10	<10	76
5838A	N	N	.04	<5	<2	.02	150	<5	<10	<2
5838B*	N	N	N	<5	<2	<.01	<20	N	N	<2
5839A	N	N	.10	<5	<2	.02	50	<5	<10	<2
5839B	.60	100	5.8	10	44	<.01	2000	30	200	125
5839C*	.05	2	.36	<5	6	.02	20	5	100	148
5840A	N	.5	.04	22	<2	.10	20	<5	<10	7
5840B	N	N	.04	<5	3	.01	100	<5	<10	4
5840C*	N	N	N	6	<2	.04	20	N	N	<2
5841A	.85	7	.30	10	27	5.02	>5000	5	<10	35
5841B*	N	N	N	<5	<2	.01	<20	N	N	<2
5842A	.15	10	.04	<5	5	6.74	300	<5	N	4
5842B*	N	N	.04	<5	2	.01	20	<5	N	5
5843A	N	2	.32	<5	32	1.28	500	5	N	2
5843B	.15	1	.24	9	529	.94	1000	5	<10	8
5843C*	.05	.5	.82	<5	3	.13	50	<5	N	<2
5844A*	N	N	N	<5	<2	.01	<20	N	N	<2
5845A	.20	<.5	.16	<5	9	.01	200	<5	<10	4
5845B*	.05	N	.08	<5	4	.01	<20	<5	<10	3

TABLE 3--continued

SAMPLE	Au	Ag	Hg	As	Sb	F	Ba	Cu	Pb	Zn
5846A	.95	70	1.5	28	78	<.01	70	10	30	130
5846B	.40	2000	5.7	714	843	<.01	2000	500	2000	1060
5846C*	.15	20	.40	15	6	.03	<20	N	15	158
5846D	.30	100	16.0	117	142	.01	100	500	1000	10,200
5847A*	N	.5	.02	<5	<2	.01	<20	N	N	<2

TABLE 3-Selected results of analyses of rock samples, Kings Canyon area, Confusion Range, west-central Utah.  
(N, not detected; L, detected but below the limit of determination shown; G, determined to be greater than the value shown; values shown in ppm except fluoride in percent)

SAMPLE NUMBER	Au AA-0.05	Ag S-0.5	Hg AA-0.02	As ICP-5	Sb ICP-2
5700A	.10	1	.04	6	
5700B	.10	.5	.12	15	3
5700C	.10	N	N	L	L
5701A	.10	7	.10	L	L
5701B	N	N	.04	L	L
5701C	N	N	N	L	L
5702A	.10	3	.04	L	4
5702B	.20	2	.02	L	L
5702C	.10	3	.28	L	8
5702D	.20	15	.20	L	3
5703A	.20	N	.10	L	3
5703B	.10	N	.10	L	160
5703E	.10	N	.12	5	150
5704A	.40	3	.76	24	160
5705A	.60	2	.18	L	8
5706A	1.10	2	.48	12	4
5706B	1.60	L	.40	22	5
5706C	1.00	.5	.56	17	3
5706D	.40	L	.20	22	7
5706E	1.30	.5	.40	26	5
5706F	.30	L	N	6	L
5706G	.50	7	.52	L	L
5706H	.30	100	G36	16	33
5706I	.40	1	.28	17	5
5707A	.30	7	.48	110	99
5707B	.30	10	N	L	6
5707C	.20	10	.20	8	27
5707D	N	L	.20	L	L
5707E	.30	10	N	19	22
5707F	.20	50	.80	9	26
5707G	.20	3	.20	93	92



TABLE 3--continued

SAMPLE NUMBER	Au AA-0.05	Ag S-0.5	Hg AA-0.02	As ICP-5	Sb ICP-2
5708A	.50	5000	G36	3900	5400
5708B	.30	1000	G36	550	690
5708C	.50	3000	G36	6100	5300
5708D	.20	70	.40	46	45
5708E	.05	20	N	14	21
5708F	.50	1000	G36	480	980
5708G	.05	10	N	6	4
5708H	N	2	.02	L	5
5708I	N	20	N	7	24
5709A	N	N	N	21	5
5709B	N	1	.04	870	140
5709C	N	N	.08	32	7
5721A	N	N	.08	65	4
5721B	.10	N	.04	16	2
5722A	.45	N	.02	29	6
5723A	.05	N	N	L	L
5724A	.30	N	.56	7	3
5724B	.10	N	.48	14	3



Silver Samples on Sec 16

**CKY M NTAIN E C EMICAL C P.**

## Certificate of Analysis

SALT LAKE  
BUSINESS LOCATION:  
1323 WEST 7900 SOUTH  
WEST JORDAN, UTAH 84084  
PHONE: (801) 255-3558

Page 1 of 1

DATE: SEPTEMBER 11, 1988

RMGC JOB NO: 88-69-43

CLIENT: Robert Steele  
1055 No. 400 East  
Nephi, Ut 84648

INVOICE NO.: M 113825

CLIENT ORDER NO.:

REPORT ON: 3 rock Samples

SUBMITTED BY: Robert Steele

DATE RECEIVED: SEPTEMBER 8, 1988

ANALYSIS: Gold Fire, Silver Fire

ANALYTICAL METHODS: Gold and silver determined by one ton fire assay.

REMARKS:

CC: enc.  
file  
GJC/db

	oz/ton	oz/ton	
<u>SAMPLE NO.</u>	<u>Gold Fire</u>	<u>Silver Fire</u>	
RC-1 B	0.014	222.57	ROAD CYN w/NATIVE SILVER
RC-2 B	0.008	54.16	
BC-1 T	-0.001	0.45	

By   
Jim Cardwell

All values are reported in parts per million unless specified otherwise. A minus sign (-) is to be read "less than" and a plus sign (+) "greater than." Values in parenthesis are estimates. This analytical report is the confidential property of the above mentioned client and for the protection of this client and ourselves we reserve the right to forbid publication or reproduction of this report or any part thereof without written permission.

1" =None Detected

1 ppm=0.0001%

1 Troy oz./ton=34.286 ppm

1 ppm=0.0292 Troy oz./ton



ST JORDAN OFFICE

Silver Samples At Bo B's Canyon

## ROCKY MOUNTAIN GEOCHEMICAL CORP.

## Certificate of Analysis

SALT LAKE  
BUSINESS LOCATION:  
1323 WEST 7900 SOUTH  
WEST JORDAN, UTAH 84084  
PHONE: (801) 255-3558

Date: March 18, 1988  
Client: Terry Steele and Bob Steele  
1055 No. 400 East  
Nephi, Utah 84648

Page 1 of 1

Job No: 88-40-22-SI

Invoice No: M 112415

Client Order No: none

Report On: 4 Rock Samples

Submitted by: Terry &amp; Bob Steele

Date Received: 3/18/88

Analysis: Gold and Silver

Analytical Methods: Determined by one ton fire assay.

## Remarks:

enc.

file

cc: GJC/lw

Sample No.	Duplicate				
	oz/ton Gold	oz/ton Silver	oz/ton Gold	oz/ton Silver	
1 B	0.019	68.69	0.019	68.22	} SILVER DREAM ★ 1
2 B	0.005	198.34	0.009	196.73	
1 T	0.030	142.92	0.032	144.14	
2 T Porph	-0.001	0.45	-0.001	0.48	DIKE AT BOOB'S CYN

By Jim Cardwell  
Jim Cardwell

All values are reported in parts per million unless specified otherwise. A minus sign (-) is to be read "less than" and a plus sign (+) "greater than." Values in parentheses are estimates. This analytical report is the confidential property of the above mentioned client and for the protection of this client and ourselves we reserve the right to forbid publication or reproduction of this report or any part thereof without written permission.

ND=None Detected

1 ppm=0.0001%

1 Troy oz./ton=31.1035 gms

1 ppm=0.0292 Troy oz./ton

*1100 Canyon*

GD RESOURCES, INC.  
450 E. Glendale Ave.  
Sparks, Nv. 89431  
Tel. 702-358-9229

Certificate of Analysis

DATE RECEIVED: 02/29/88      DATE REPORTED: 03/07/88      JOB NO. 1975  
REPORT TO: C. Sulfrian      CHARGE TO: Barrick Resources (USA)  
SUBMITTAL NO. 3387      P.O. No.: R-88-107      INVOICE NO. 1988

Sample No.	oz/t Au	oz/t Ag	
JC 423	0.007	<0.030	8' thk x 75' strike, leached, grey L.S. (Dsi)
424	0.004	<0.030	12' thk x 50' dia. area, silic. L.S./L.S. w
425	0.001	<0.030	4' x 10' Dgl, L.S. collapse breccia. loc.
426	0.006	<0.030	grab smpl, leached iron stained L.S. (Dsi)
427	0.002	<0.030	25' channel smpl on NE struc. silic. L.S. (D)
428 *	0.025	1.335	40' chnl @ 60'x150' jasperoid, W side
429	0.002	<0.030	12' chnl @ FW, E-W struc. L.S.
430	0.003	0.031	15' chnl @ HW, E-W struc. brec., silic. L.S
RC 431	0.002	0.114	12' chnl L.S. just above jasperoid, Dsi
432	0.014	0.179	9' chnl thru jasperoid horizon, Dsi
433	0.007	0.356	10' chnl thru alt'd L.S. & L.S. below jasp.
434	0.001	<0.030	collapse breccia @ base of Dgl
435	0.020	1.663	grab smpl, qtz vein/qtz replaced L.S, Dsi (1' thick x 10' long zone)
436	0.001	<0.030	T-1
437	0.050/0.051	0.233	T-2
438	0.018	0.815	T-3
439	0.047/0.048	5.344	T-4
440	0.002	0.278	T-5
441	0.001	<0.030	T-6
442	0.009	<0.030	T-7
443	0.001	0.948	B-1
444	0.022	0.899	B-2
445	0.005	0.235	B-3
446	0.084	10.962	B-4
447	0.021	0.458	B-5
448	0.003	0.067	B-6
449	0.020	0.496	B-7
450	0.029/0.030	0.499	B-8
451	0.004	<0.030	B-9

Note: JC-428 is from the large (60' x 150') jasperoid outcrop, at the same location as T-4 (JC-439) and B-4 (JC-446) on the west side of the range.

*Samuel H. H. H.*



November 8, 1999

Dear Sir:

This appeal has been filed because of the Rejection of Plan of Operation filed with the State of Utah, Division of Oil, Gas and Mining to operate underground mine in the N1/2 of Sec. 8 T. 21S R. 16W, S.L.B.M. This property is located in the West Boundary of the King Top Wilderness Study Area. Mining in wilderness study areas is regulated under 43CFR SS-3802.0, however these regulations do not supercede the mining law. They only describe how mining can proceed under SS-3802.0.

The reason for rejection given by the Bureau of Land Management of the Fillmore, Utah field office was Manville Sales Corp. (102IBLA385) where the Interior Board of Land Appeals upheld a rejection by the B.L.M. where Manville Sales Corp. appealed the B.L.M. decision. They wanted to open up approximately two miles to visit its properties and to show them to prospective clients that might be interested in them for possible development and to conduct geological mapping and sampling to satisfy annual assessment work requirements. This appeal is entirely different in prospective, the property in question is a valid discovery and does not need additional development. It is now ready to be mined for profit under the Mining Law.

Enclosed please find the following copies from the Handbook of Mineral Law Field Edition by Terry S. Maley, Mineral Lands Publications, for the appropriate mining laws related to this appeal:

1.	Discovery under the Mining Law	Page 259
2.	Comparison of Values	Page 264-265
3.	Act of July 23, 1955	Page 280
4.	Mineral Examination	Page 300
5.	Possessory Title	Page 322
6.	Discovery required for Valid Claim Or Right against Government	Page 346
7.	The Law and Regulations Require Discovery Before Location	Page 346
8.	Surface Rights On Mine Claims	Page 351
9.	Rights of Access to Mining Claim	Page 354
10.	Permit not required for Access to Mining Claims	Page 355
11.	B.L.M. Surface Management Regulations	Page 385-386 & 388-389
12.	SS-3802.0	Page 392-397
	SS-3802.0-2	Page 749
	SS-3802.0-3	Page 750
	SS-3802.1-5	Page 752

In summary the mining property in question meets all of the criteria as described by law. The Wilderness Study Area that the claims are in (copy enclosed) has been determined by the B.L.M. not to meet Wilderness Criteria in their final report to the Section of Interior, October 1991.

Because the property in question does meet all criteria as described by law, the B.L.M. rejection of the mine plan operation of mine should be overturned. The mining operation then can resume as planned.

## HISTORY OF MINING PROPERTY

The Silver Dream Mine is located in the N1/2 of Sec. 8, Township 21 South, Range 16 West S.L.B.M. This mine is an old working mine that was mined sometime in the early 1900's. The mine consists of a small open cut approximately 25 feet long, 5 feet wide and 5 feet deep. The ore that has been mined is gone and was probably bagged and hauled from the site. Only a few small remnants of the ore still remain on the property. The road to the property was made by hand, where it crosses the wash at the end of the road, cutting and fill were placed to maintain the quality of the road. This road is on the Millard County D-Road System and is claimed by Millard County. The veins of ore on the property consist of Quartz with Silver and Gold in them. The vein that is purposed to be mined at this time is approximately 6 feet wide and 15 feet high with an average grade of 65oz of silver per ton.

To start up the mining operation a pad at the end of the road will be made approximately 1/4 ac at a cost of approximately \$3,000.00. A chute made of 16' iron pipe approximately 300 feet long will be put in place at approximately \$3,500.00. Ore that extends into the mountain has not been drilled and can only be seen for a few tens of feet at the mine site. But, drilling on the trend of the veins to the southeast did penetrate a high value of silver and gold and they are expected to be the same veins as indicated by geographical mapping on the property. If the veins of ore do connect then there will be hundreds of thousands of tons of ore and would become one of the major mining districts in the State of Utah. Using three men, jackhammers, compressors and blasting agents, thirty tons of ore can be mined per day very easily. The ore will be hauled to Gold Hill Processing Plant for processing.

**The cost comparison is estimated as follows:**

**\$450.00 for three men**

**\$250.00 for blasting equipment**

**\$510.00 for trucking ore to processing plant at Goldhill**

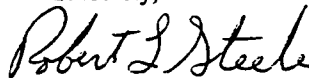
**\$840.00 to process ore**

**Total \$2,050.00 to process thirty tons of ore.**

**Thirty tons of ore per day averages 65oz of silver per ton = 1950 oz of silver at \$5.00 per oz or more = a total of \$9,750.00 gross profit per thirty ton (which is one days work). Less your \$2,050.00 to process the thirty tons of ore for a Grand Total Profit of \$7,700.00 per thirty ton.**

The B.L.M. should follow the mining laws step by step as prescribed by the law, not just reject a plan of operations. Many years of work and a great deal of money have been spent to get this mining operation to the point that it is today. A contract for milling of the ore is in place, jobs and a great deal of money is being lost and will continue to be lost. It is in the best interest of all parties to work to approve the plan of operations without further delay and or litigation.

Sincerely,



Robert L. Steele

RLS:ss

Enclosures

cc: Bureau of Land Management  
Fillmore Field Office

Regional Solicitor  
Federal Building

### **Statement of Facts**

1. The Silver Dream Claim is a valid discovery
2. The Silver Dream Claims are in a Wilderness Study Area that has been determined by the B.L.M. not to meet Wilderness criteria.
3. SS-3802.0 Regulation does not and cannot forbid mining.
4. Time and Money are being lost.